

“E-Wallet: Digital wallet for Digital India”

Ms Jyoti Monga^{#1}, Mr Sandeep Kumar^{#2}

[#]Assistant Professor, Patel Institute of Management & Technology, Rajpura Punjab

¹mongajyoti19@yahoo.in,

²sandip.kashyap17@gmail.com

Abstract-With the advent of internet and E commerce the traditional method of payment has been changed. After demonetization in India the scope of online transaction is increased E-Wallet has played a major role in it. In this paper we have discussed types of E-Wallet, mechanism behind it, uses and barriers in the use of E wallet, top seven commonly used E-Wallet in India. This paper also shows the comparison of India with top 15 cashless countries and future scope of E-Wallet in India..

Keywords:E-Wallet, Types, Uses, Future Aspect.

I. INTRODUCTION

Internet and E-Commerce has changed the traditional payment system. Initially cash, debit card and credit card are used for this purpose but now a day's E wallet is highly being used. It is payment method in which cashless transactions are made online. E wallet is composed of two terms E means Electronic and wallet means a folding case where cash and personal identification information is saved. Electronic Wallet (E-Wallet) refers to an online payment system through which person can perform financial transactions .It involves payment of bills ,purchase of items, transfer of money from one account to another and so on. It comes under the term - “Pre-paid Payment Instruments”. RBI has defined Pre-paid Payment Instruments as payment instrument used for purchase of items and services, and cash transfer and defined in Payment and Settlements Systems Act, 2005. Examples of prepaid instruments are smart cards, internet accounts, internet wallets, magnetic stripe cards, mobile wallets, and any such instrument which can be used to access the pre-paid amount. E wallet is different from other instrument as it is internet based online account and there is no need to carry physical card.[1]

II. TYPES OF E-WALLET

There are three kinds of wallets: closed wallet, semi closed wallet or open wallet:

a) Closed Wallet: Closed wallet issues by companies to their consumers, who have an online account in such companies for giving the services like credit the money, refund the amount or return

of a product or service. Companies such as Jabong, Makemytrip and much more.

b) Semi-Closed Wallets: Semi-Closed wallets use by non banking companies who have tie-up with some agencies provides a facility offline as well as online. These Companies are provides services like buying goods, deposit of fee and some financial services. Paytm, Free charge wallet, Airtel Money and much more companies provides Semi-Closed wallet. A RBI also approves those companies who have played an intermediate role for providing services to their consumers.

c) Open Wallet: Open Wallet basically provides by banks like Pay-Zapp By HDFC, ICICI Pockets and some other companies like Vodafone. Open wallets provides all kind of services such as financial services, transfer money from one end to another end etc. Which are helpful for consumers to save time or mentally pressure.[6]

III. OPERATIONAL REQUIREMENTS

a) System Requirements: The following table lists the system requirements for each platform E-Wallet is available for:

Platform: E-Wallet for	Supported Devices
Android	Android 4.0.3 to 7.x (also later model Kindle Fires)
BlackBerry	BlackBerry OS 4.7 to 7.1
BlackBerry 10	BlackBerry OS 10.3.1 (runs Android version)
I-Phone, I-Pad, iPod touch	IOS 8, IOS 9, IOS 10
Mac	Mac OS X 10.9 (Mavericks) or later
Windows Mobile	Windows Mobile 6.5
Windows PC (Desktop)	Windows 7 Windows 8 Windows 10
Windows Store (PC and Tablet)	Windows 8.1 Windows RT 8.1 Windows 10

Table I: System requirements for E-Wallet

Platform Required: I-Phone, I-Pad, iPod touch, Windows, Mobile, BlackBerry, Android, Mac-OS, Windows PC (desktop), and Windows Store App. [2]

b) Mechanism: For E-Wallet to work all us need a mobile phone or computer, an internet connection and an operating bank account. First of all funds are transferred from bank account to E-Wallet and then that fund is used for making payments, online purchases and other online transactions. The main advantage of using E-Wallet system is customer can avail cash back offers and other discounts given by various shopping websites.

IV. WHY TO USE E-WALLET

As we all know in last year November 2016, demonetization had affected Indian financial status. It has increased the use of online cash transactions. E-Wallet has helped the people of nation to make transaction without going to bank.

a) To save time: As we know Time is Money. With the use of E-Wallet Time is being saved as transaction is made online.

b) To save cost: With E-Wallet the cost of purchasing forms is saved as no need to fill forms.

c) Convenient to use: E-Wallet is easy to use it takes few clicks to make payment online.

d) Advance Technology: Advanced technology is used in E-Wallet system making it fast and convenient to use.[4]

e) Secured: As in traditional method of payment system holding cash is not secured while travelling but E-Wallet is much secured because there is no need to carry cash on the way.

f) Go Cashless: After demonetization the uses of e wallet has been increased as it has become safer, fast method for making cashless payments.

V. BARRIERS IN THE USE OF E-WALLET IN INDIA

a) The main requirement of E wallet is mobile connectivity and reliable high speed internet. India is still lagging behind in both.

b) As people from rural part of India are not tech savvy it is difficult for them to understand the use of E-Wallet mobile apps.

c) Fear of misuse or less secured system is always there in mind when doing online transactions this can be a major reason for not much use of E-Wallet in India.[4]

d) Another problem may be poverty and illiteracy as it is difficult for a poor person to buy Smartphone and make payments similarly it is difficult for illiterate person to use the Smartphone app to make payments. He or she can be easily misguided.

VI. COMPARISON OF INDIA WITH OTHER COUNTRIES

As the number of internet users is increasing day by day as from table below the growth has increased from 8% to 26% in 2015 and it is still increasing. After demonetization in India the use of E-Wallet has increased. India is on 2nd position after China in the use of E-Wallet in Asia. But if we compare India with other developed countries then we can see that Singapore is at rank 1 by having 61% of cashless transactions and thus second position is occupied by Netherland by having 60% cashless transactions and India is having only 2% of cashless transaction which is very less as compared to other countries.

Top Cashless countries

Rank	Country Name	Cashless transactions
1	Singapore	61%
2	Netherlands	60%
3	France	59%
4	Sweden	59%
5	Canada	57%
6	Belgium	56%
7	United kingdom	52%
8	USA	45%
9	Australia	35%
10	Germany	33%
11	South Korea	29%
12	Spain	16%
13	Brazil	15%
14	Japan	14%
15	China	10%
16	India	2%

Table 2: Source: MasterCard Advisor's Measuring progress toward a cashless society

VII. TOP SEVENE-WALLETS IN INDIA

1. Paytm: Paytm has introduced in 2010 and it has fast growing platforms offline as well as online wallet after demonetization in India. It offers to its customers a digital wallet to store money and make quick payments to shopkeepers who have accept payment by Paytm wallet. Paytm wallet can also be used to make bill payments, transfer money and provideservices. Reserve bank of India also approved and authorized Paytm because of Indian prime minister also wants to make cashless India. Turnover of Paytm is now \$4 billion around the world and its very own ecommerce platform too. Paytm can simply done by scanning a QR, which is

generated by app. Paytm has reduced the stress on its daily basis.

2.Free charge:

Free Charge was introduced in August, 2010 by two Indian “Kunal shah” and “Sandeep Tandon” for providing online facility to recharge any prepaid as well as postpaid mobile phones, utility bill payments, recharge for metro cards and more for Indians. Free charge wallet is so, popular for all kind of persons those who have no time for going market or we can say it is time saver app and easily accessed directly from mobile app as well as from web browser.

3.JioMoney:

JioMoney was introduced JioMoney wallet recently in 2016 by “Reliance”jio, is a digital payment app. Reliance company is the largest communication network company in India and it provides great discounts and offers free for all its users as well as non-reliance users.

4. MobiKwik:

Mobikwik is a Indian based E-Wallet payment system in India, launched in 2009 by “Bipin Singh” and “UpasanaTaku” that helps its users store their money to recharge bills.MobiKwikhas marketing partners such as ebay,shopclues,jabong,dominoz and more.

5.HDFC PayZapp:

HDFC launched a app that is a complete payment solution.It launched by “Aditya Puri” on 10 June,2015.With PayZapp,consumers can shop on your mobile at partner apps,to buy and compare all kind of daily routine things like movie tickets, groceries, hotels, nearby deals, recharge and more. It is very convenient and secure way of payment and it is one click app. Due to all of these facilities it make a favorableE-Wallet in India.

6. ICICIPockets:

ICICI Bank launched their ownE-Wallet last month.It is just like Paytm and HDFC PayZapp. This app uses a virtual Visa card and users can choose to add a zero balance saving account to it.It can use by any person who have account holder or not. With the help of this app users can fund it from anybank account and start transactions and also provide a facility to pay through all websites and mobile apps in the country.

7. BHIM:

Indian Prime-Minister now launches a new E-Wallet app BHIM for connected all the banks in one app and consumers use this app just like Paytm or MobiKwik can store limited amount of money in a wallet ,which consumer can send only to someone who is using the same wallet. BHIM is UPI-based app and this is directly connected to a bank account. If consumer account is UPI activated than just ask for the virtual address and make the payment to that account.[5]

VIII.FUTURE SCENARIO

In few years back cash followed by debit card was the most preferred mode at the clubs, shopping malls. E wallet changes the scenario of transaction in India. India has the second largest population country to use E-Wallet after China. E-Wallet is a digital wallet to allow the users to pay the amount digitally from any location at any time. [8]In August 2015, Reserve Bank of India approved payment licenses of 11 Companies including ICICI, HDFC, Uber and more.[11] Due to digitalization Indian online market booming in these days and use of mobile phones and tablets 30 per cent increase by 2020.The growth rate (CAGR) of mobile users are estimated from \$86 million in 2011 to \$1.15 billion in 2016.Indian has first largest young population country in world. According to recent survey the uses of E-Wallet for online shopping is 58%, Mobile recharge is 60%,paying for taxi services is 52% and this number is increasing day by day .Thus the future of E-Wallet is shining in India.[12]

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